



## Should You Buy BlackBerry Ltd (TSX:BB) Ahead of Earnings?

### Description

**BlackBerry** ([TSX:BB](#))([NYSE:BB](#)) is expected to release its quarterly earnings later this week. The company struggled to show any growth in its top line [last quarter](#), although some segments have been performing very well. Unfortunately, even though BlackBerry has posted a profit for two straight quarters, it has not been enough to encourage investors to invest, as the stock is down over 26% in the past year.

### Why BlackBerry is a good long-term play

There are a lot of great opportunities in the company's future that make it a solid buy for the long term. In the short term, there could still be some pain along the way.

If you look at BlackBerry's focus on autonomous driving software and especially on cybersecurity and data protection, it's easy to see a path for the stock to achieve significant returns over the long term. And that's what I normally look for in a stock — to see how easy it is for the stock to grow and if there's a clear path to do so. In BlackBerry's case, there certainly is, and that's why I see it as a good long-term investment.

The problem, however, is that driverless automobiles are still a long way away from being the norm, and building its brand in [cybersecurity](#) has not been an overnight process. It's still going to take some time for the company to build a strong enough customer base that its sales numbers can start showing some significant growth. However, all it takes is one big announcement or deal that could get investors excited about the company, but unfortunately, that's been lacking thus far.

### Recent performance

While the past isn't necessarily a good predictor of how the company will do in the future, it does help to establish a track record with respect to meeting or falling short of expectations. In three of the past four quarters, BlackBerry has beaten expectations. The problem, however, is that in all but one earnings release did the stock go on to rally afterwards. And that was in the most recent one, where

the markets saw a big recovery and after the stock had reached a new 52-week low.

In the other three quarters, the stock saw considerable selloffs take place immediately after earnings, however, the stock was also trading at higher levels than it is today.

## Is the stock a buy?

Based on BlackBerry's struggles in finding some solid sales growth and its underwhelming performance around earnings day, I'd wait in the sidelines for now. There needs to be more of a reason to buy BlackBerry, as investors want to see some real strong sales numbers before getting excited about the stock. The company has been growing slowly and steadily, and while there's nothing wrong with that, it's not going to result in a lot of growth, definitely not in the short term.

BlackBerry still looks like a good buy overall, but given it has been a bit volatile over the past year, I might be tempted to wait out a dip in price before investing.

### CATEGORY

1. Investing
2. Tech Stocks

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